

EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION 173 (2) OF THE COMPANIES ACT, 1956 IN RESPECT TO THE SPECIAL BUSINESS:

ITEM 1

MATERIAL FACTS RELATING TO THE PREFERENTIAL ALLOTMENT.

The Company is a leading player in the kitchenware segment and to support its growth plans, the Company proposes to increase its capital base by way of infusion of equity. The Board of Directors of the Company (hereinafter called the "**Board**" which term shall be deemed to include any Committee which the Board may have constituted or hereinafter constitute to exercise its powers including the power conferred by this resolution), has received a binding offer from Cartica Capital Ltd (the "**Investor**") to subscribe to 3,00,000 equity shares of the Company of face value Rs.10 each at an issue price of Rs. 3550 per equity share representing a premium of Rs.3540 per equity share for an aggregate issue size of Rs.106.50 crore (each an "**Equity Share**" and collectively the "**Issue Shares**"). The investment is subject to the execution of a share subscription agreement between the Company and the Investor. The Board has accepted this offer at its meeting held on May 31, 2013. The Issue Shares allotted to the Investor shall rank pari passu with all other equity shares of the Company in respect of all rights including dividend.

The proposed issue of the Issuer Shares would result in an increase of the issued, subscribed and paid-up equity share capital of the Company.

The Investor is Cartica Capital Ltd.

It may be noted that in terms of Chapter VII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("**SEBI ICDR Regulations**") it is necessary to disclose the details of investor and certain other terms to the shareholders while seeking their approval for issuing the equity shares on preferential basis. Hence, the requisite approval of the shareholders is being sought and terms of the provisions of the Companies Act, 1956 ("**Act**"), and the SEBI ICDR Regulations, the relevant disclosures and details of which are given below:

Object of the preferential issue:

General corporate purpose including retirement of debt.

Type of security offered and the number of security offered:

The Company proposes to offer, issue and allot 3,00,000 equity shares of Rs.10 each at an issue price of Rs. 3550 per equity share representing a premium of Rs. 3540 per Equity Share aggregating to approximately Rs.106.50 crores to the Investor on the terms and conditions determined by the Board.